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MEMORANDUM

April 8, 2020

TO: Executive Committee of the Legislative Council

RE: Options for Cutting the Legislative Budget

This memorandum summarizes options for the Executive Committee's consideration for cutting the legislative budget. The options include:

- 1) **Current year restrictions:** approximately \$1.2 million that can be restricted and made available for reversion to the General Fund at the end of the current fiscal year;
- 2) **House Bill 20-1345 amendments:** approximately \$1.95 million that can be cut from FY 2020-21 appropriations via amendments to House Bill 20-1345 in the Senate; and
- 3) **Long Bill appropriations:** a recommended \$328,000 cut in Long Bill appropriations to the Legislative Department, including a \$28,000 cut for the property tax assessment study and a \$300,000 cut for the Voter Information Guide (Blue Book).

These options total \$3.47 million and 6.2 percent of the FY 2020-21 General Fund budget currently proposed for the legislative branch in the legislative and long appropriations bills. Table 1 on page 5 summarizes these options by agency. This memorandum also includes brief narratives for each option.

Current Year Restrictions

Table 1A shows options for funds that can be restricted in the current year's budget for reversion to the General Fund. These options, which **total an estimated \$1,195,968**, include:

- **FY20-A: Staff Salary and Benefits (\$936,161).** Agencies have identified a total of \$936,161 in vacancy savings during FY 2019-20, or the equivalent of 15.1 FTE, that can be restricted in the current year. Vacancy savings are incurred when an appropriated position is not filled for all or a portion of the year. The identified savings include base salary vacancies and costs of associated benefits, which in most cases include the 10.4 percent PERA employer contribution, Medicare tax, and short-term disability costs.
- **FY20-B: Travel (\$196,807).** This option would restrict a portion of an agency's in-state and out-of-state travel budget. An estimated \$196,807 is expected to be available for reversion to the General Fund.
- **FY20-C: Operating (\$35,000).** This option restricts \$20,000 from the remote testimony budget and \$15,000 from the Legislative Council Staff (LCS) operating budget for publications, given the temporary closure of the Joint Legislative Library due to construction during most of the year.
- **FY20-D: Reversions not specified (\$28,000, estimated).** The Joint Budget Committee Staff (JBC Staff) identified expected reversions for FY 2019-20 from all areas of their budget.

FY 2020-21 Amendments to House Bill 20-1345, the Legislative Appropriations Bill

Table 1B shows options for amending House Bill 20-1345, the Legislative Appropriations Bill, currently on the second reading calendar in the Senate. These options, which would reduce the budget for FY 2020-21, **total \$1,948,734** and include:

- **FY21-A: Member Salary and Benefits (\$56,511).** This option is required pursuant to statute. Section 2-2-307 (1)(b), C.R.S., indexes member salaries to an amount equal to 25 percent of the total annual salary of a Class B County Judge every two years for all members whose terms commenced in 2019 or thereafter. The JBC Staff are expected to recommend a zero percent increase for all judges' salaries in FY 2020-21. House Bill 20-1345 currently assumes a 3.0 percent increase. This would reduce member salaries as of January, 2021 from the current assumption of \$41,449 per member to \$40,242 per member, saving an estimated \$36,735 in the House and \$19,776 in the Senate. The savings represent five months of reduced salaries and associated benefits for members in FY 2020-21, from January through May 2021 (the payday shift moves June into FY 2021-22).
- **FY21-B: Staff Salary and Benefits (\$1,214,216).** These savings, which incorporate base salary and the associated 10.9 percent PERA employer contribution, Medicare tax, and short-term disability, include the following sub-options:

FY21-B-1: Eliminating the 3.0 percent salary survey increase (\$990,001). The JBC Staff are expected to recommend that the salary survey for all state employees be reduced from 3.0 percent to 0.0 percent. This sub-option incorporates that assumption into the legislative budget. These savings also include eliminating a \$10,000 retention boost for the joint chamber staff. In the Office of Legislative Legal Services, it also includes an additional

\$14,399 of base salary in the Office of Legislative Workplace Relations in excess of the 3 percent salary survey.

FY21-B-2 Eliminate 2.0 FTE (\$224,215). This sub-option eliminates 2.0 new FTE for Legislative Council Staff's fiscal note and information technology sections.

- **FY21-C: Aide wages (\$146,054).** House Bill 20-1345 currently increases the hourly wage for aides from \$15 per hour in FY 2019-20 to \$16 per hour in FY 2020-21. This option would keep hourly wages equal to \$15 per hour in FY 2020-21, reducing the budget for aides by \$94,935 in the House and \$51,119 in the Senate. The current allotment of 1,300 hours per member in FY 2020-21 is unchanged.
- **FY21-D: Aide transportation allowances (\$51,668).** House Bill 20-1345 currently increases the transportation allowance for aides from \$10 to \$11 per day and extends the allowance to all aides, rather than to only one aide per member per day. This option continues the transportation allowance benefit as it exists in FY 2019-20 into FY 2020-21, providing for a \$10 per day allowance to only one aide per member per day. This reduces the budget for aides by \$37,709 in the House and \$13,959 in the Senate.
- **FY21-E: Travel (\$225,826).** This option cuts the appropriation for in-state and out-of-state travel in the House, Senate, and legislative service agencies. This cut is in addition to reductions already incorporated into House Bill 20-1345 for the House and Senate travel budgets equal to \$146,052 and \$52,435, respectively.
- **FY21-F: Operating (\$254,459).** Each agency identified the following options for reducing operating budgets as follows:

FY21-F-1: Joint Chamber (\$20,000). This sub-option reduces the budget for remote testimony from \$30,000 to \$10,000.

FY21-F-2: Colorado Youth Advisory Council (\$50,000). This would eliminate the contract for the Colorado Youth Advisory Council (COYAC) for FY 2020-21. Because the Colorado Youth Advisory Council is required by section 2-2-1302, C.R.S., this sub-option would require a statutory change. Another option would be to reduce the appropriation from \$50,000 to \$25,000, which is the amount appropriated to COYAC during FYs 2014-15 through FY 2019-20. However, Engaged Public, the current contractor fulfilling the statutory obligations for the COYAC, recently indicated that \$25,000 is no longer sufficient for it to continue to provide the same level of service in the future as it was able to provide in the past.

FY21-F-3: JBC Staff (\$14,168). This sub-option includes a \$4,368 reduction for Tableau licenses, limiting access to 7 of 14 analysts. Tableau licenses are critical for the JBC Staff to fully participate in maintaining and enhancing the new legislative budget website. A corresponding \$9,800 reduction in the budget for professional development would limit training for Tableau accordingly.

FY21-F-4: LCS (\$33,116). This sub-option includes a \$13,116 reduction in the budget for information technology software, a \$15,000 cut in the budget for publications, and a \$5,000 cut in the budget for office supplies in the budget for Legislative Council Staff.

FY21-F-5: OSA (\$66,000). This sub-option includes a \$50,000 cut in auditing contracts, a \$10,000 cut in educational expenses, and a \$6,000 cut in other operating expenses in the budget for the Office of the State Auditor.

FY21-F-6: OLLS (\$71,175). This sub-option includes a total of \$65,775 in cuts to the OLLS operating budget and a \$5,400 cut to the Office of Legislative Workplace Relations operating budget. Specific line items that are reduced include, but are not limited to, rental services, data processing, food services, educational supplies and training, non-capitalized equipment, official functions, and professional services.

- **Suspend interim committees.** This option is being addressed in a separate memorandum.

FY 2020-21 Recommended Cuts in Long Bill Appropriations

Table 1C shows JBC Staff and LCS recommendations for reducing legislative appropriations in the FY 2020-21 Long Appropriations Bill. They include:

- **FY21-G: Property Tax Assessment Study (\$28,000).** The Property Tax Assessment Study is required by statute. This sub-option eliminates an inflationary increase in this line item for FY 2020-21.
- **FY21-H: Voter Information Guide, a.k.a. “Blue Book” (\$300,000).** The statewide response to the COVID-19 emergency is expected to inhibit the process for putting citizen initiatives on the ballot. This will reduce the amount of money needed for the constitutional mandate of publishing ballot measures’ texts and titles in newspapers statewide and for printing and distributing the Voter Information Guide for the 2020 election.

Table 1. Options for Cutting the Legislative Budget

Table 1A. FY 2019-20 Savings Restricted for Reversion to the General Fund										
Option	Description	House	Senate	Joint Ch.	COYAC	JBC	LCS	OSA	OLLS	Total
FY20-A	Staff Salary & Benefits	191,842	117,061				201,439	249,027	176,792	936,161
	FTE Equivalent	3.5	3.1				2.9	2.9	2.8	15.1
FY20-B	Travel	101,158	71,649				15,000		9,000	196,807
FY20-C	Operating						35,000			35,000
FY20-D	Reversions Not Specified					28,000				28,000
Subtotal		293,000	188,709	-	-	28,000	251,439	249,027	185,792	1,195,968

Table 1B. FY 2020-21 General Fund Amendments to the HB20-1345 Legislative Appropriations Bill										
Option	Description	House	Senate	Joint Ch.	COYAC	JBC	LCS	OSA	OLLS	Total
FY21-A	Member Salaries & Benefits	36,735	19,776							56,511
FY21-B	Staff Salaries & Benefits	72,848	67,083	15,459		52,962	471,846	237,261	296,757	1,214,216
	FTE						2.0			2.0
FY21-C	Aides - Wages	94,935	51,119							146,054
FY21-D	Aides - Transportation	37,709	13,959							51,668
FY21-E	Travel	62,119	78,557			7,900	34,000	20,000	23,250	225,826
FY21-F	Operating			20,000	50,000	14,168	33,116	66,000	71,175	254,459
Suspend Interim Committees		This option is being addressed in a separate memorandum.								
Subtotal		304,346	230,494	35,459	50,000	75,030	538,962	323,261	391,182	1,948,734

Table 1C. Recommended Cuts to FY 2020-21 Long Bill Appropriations										
Option	Description	House	Senate	Joint Ch.	COYAC	JBC	LCS	OSA	OLLS	Total
FY21-G	Property Tax Assessment Study						28,000			28,000
FY21-H	Voter Information Guide (Blue Book)						300,000			300,000
Subtotal							328,000			328,000

Table 1D. Total Contribution to General Fund Shortfall for FY 2020-21										
		House	Senate	Joint Ch.	COYAC	JBC	LCS	OSA	OLLS	Total
Total		597,346	419,204	35,459	50,000	103,030	1,118,401	572,288	576,974	3,472,701

Joint Ch. = Joint Chambers. COYAC = Colorado Youth Advisory Council. JBC = Joint Budget Committee Staff. LCS = Legislative Council Staff.
 OSA = Office of the State Auditor. OLLS = Office of Legislative Legal Services.
 Cuts exclude PERA AED, SAED, and DD.